

Correspondence

Business Update - Issue 58 (July 2020)

Updated 9 July 2020

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In this edition of Business Update, our round-up of business-critical news and information from the Education and Skills Funding Agency (ESFA):

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1. Chancellor summer economic update

Yesterday (Wednesday 8 July) [Chancellor Rishi Sunak gave a speech](#) to introduce the [Plan for Jobs](#), the Government's second phase in the economic response to coronavirus.

A total of £1.6 billion will be invested in scaling up apprenticeships, traineeships and employment support schemes to help people looking for a job. Young people, amongst the worst hit by the crisis, will benefit from this. Investment includes:

1.1 Apprenticeships

A new payment of £2,000 to employers in England for each new apprentice they hire aged under 25, and a £1,500 payment for each new apprentice they hire aged 25 and over, from 1st August 2020 to 31st January 2021.

These payments will be in addition to the existing £1,000 payment for new 16-18 year-old apprentices, and those aged under 25 with an education, health and care plan (EHC).

1.2 Traineeships

An additional £111 million this year for traineeships in England, enough to triple participation in traineeships. The government will fund employers who provide trainees with work experience at a rate of £1,000 per trainee and expand eligibility for traineeships to those with Level 3 qualifications and below.

1.3 National Careers Service

An additional £32 million funding over the next two years for the National Careers Service so that 269,000 more people in England can receive personalised advice on training and work.

1.4 Job retention

A Job Retention Bonus – a one-off payment of £1,000 to UK employers for every furloughed employee who remains continuously employed through to the end of January 2021.

Construction talent A Construction Talent Retention Scheme to support the redeployment of workers at risk of redundancy and help retain construction skills.

Other announcements include:

- £101 million for the 2020-21 academic year to give all 18-19 year olds in England the opportunity to study Level 2 and 3 courses when there are not employment opportunities available to them.
- building on the £1.5 billion commitment for FE capital funding made at Budget 2020, the government will bring forward £200 million to 2020-21 to support colleges to carry out urgent and essential maintenance projects.
- additional funding of £560 million for schools in England to improve the condition of their buildings and estates in 2020 to 2021.
- a school rebuilding programme of over £1 billion to fund the first 50 projects of a new, ten-year programme in England. (These projects will be confirmed in the autumn, and further detail on future waves will be announced at the Comprehensive Spending Review. Construction on the first sites will begin in September 2021.)

[Read the Chancellor's 'A plan for jobs' speech in full](#)

[Supporting and related documents can be downloaded on GOV.UK.](#)

There will be a third phase that will focus on rebuilding, with a Budget and Spending Review to be held in the autumn.

We are finalising details with the Treasury and more detailed guidance for providers and employers is due in the first half of next week (week commencing Monday 13 July). We appreciate everything employers, providers and the sector is doing at this time.

2. The forgotten 50% - why FE is vital to economic recovery

Today, Thursday 9 July, Secretary of State for Education Gavin Williamson, shared a virtual speech 'The forgotten 50%: Why further education is vital to economic recovery'.

In his address, SoS Williamson sets out the need for a fundamental reform and rebalancing toward further and technical education vital if our country is to recover after coronavirus and grow economically.

He confirmed that, this autumn, there will be a White Paper published 'to turbo-charge our further and technical education system, and level up skills and opportunities', with FE, apprenticeships and university to be seen as all equally valid routes to productive employment.

Watch the speech on YouTube:



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